DEFENSE RETIRED AND ANNUITY PAY

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LIAISON

RETIREES

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  US MILITARY RETIREMENT PAY

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FACTS AND FIGURES

* * * Retired/Annuity Pay/Contact Center * * *

March 2004

Retirees On Rolls
2,017,541

	(TERA)	
Army	(293)	696,910
Air Force	(122)	688,512
Marines	(6)	116,634
Navy	(36)	515,486

Total Waivers:

VA	137,293
CSA	45,967

Partial Waivers:

VA	591,884

Concurrent Retirement and Disability Payments (CRDP): 143,209

Army	62,972
Air Force	46,433
Marines	7,965
Navy	25,839

Former Spouse Accounts	73,994
VSI Recipients	18,235
RSSP Recipients	907

Receiving (Gross) $2.74 B/Mo
DDS Participation 98.37%

Allotting $192,238 M/Mo

No. of Members	1,024,513
No. of Allotments	1,672,691
Delta Dental	282,727
FEHBP (Fed Health Plan)	(0)

Who Submit Monthly

Letters/Faxes (retired and annuity)	102,281
Allotment Changes	27,108
Pre-Retirement Requests	195
SS Offset Requests	55

SBP Participation

No. Participants	955,665	
% Participation	47%	
Direct Remitters	39,889	
Army	352,592	50.6%
Air Force	341,400	49.6%
Marines	38,787	33.3%
Navy	222,886	43.2%

Annuitants On Rolls
322,703

Army	138,358
Air Force	98,687
Marines	11,693
Navy	73,964

Receiving (Gross) $187M/Mo
DDS Participation 95.0%

Contact Center

Retired Pay
Answered by CSR
132,026
Answered by IVRS

46,723
E-mails processed

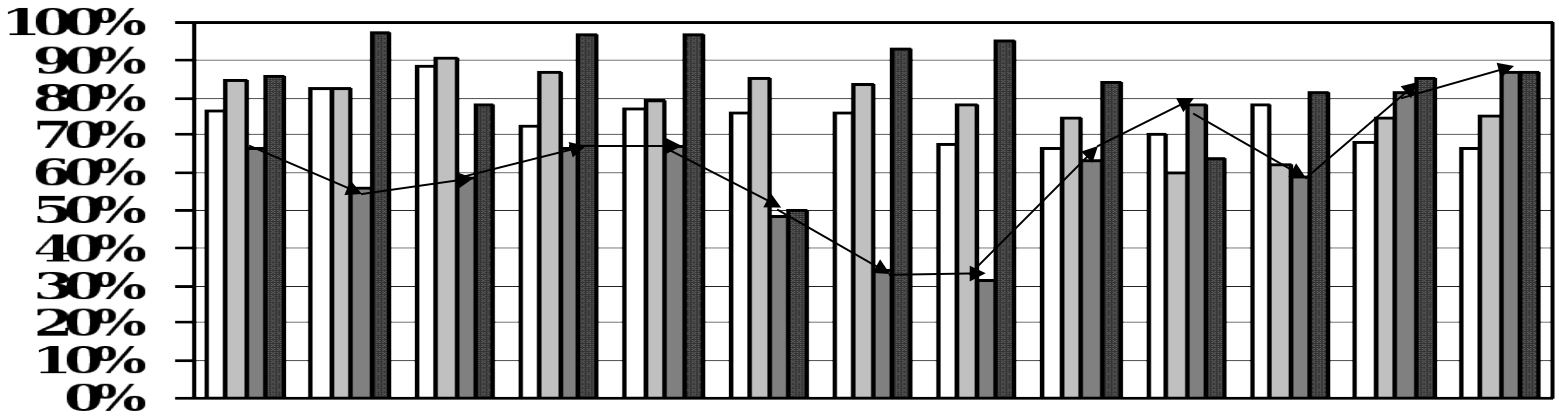
6,466
Annuity Pay
Answered by CSR

20,524
Annuity Pay
Answered by CSR

New Accounts - Disability

[Retired] March 2004

Percent Established Within 30 Days From Date of Entitlement



	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04
Air Force	76.7%	82.5%	88.2%	72.3%	77.3%	75.8%	76.0%	67.6%	66.7%	70.4%	78.0%	68.2%	66.7%
Army	84.6%	82.5%	90.3%	86.6%	79.3%	85.2%	83.5%	78.3%	74.7%	60.0%	62.5%	74.4%	75.0%
Navy	66.7%	55.8%	58.6%	66.7%	67.1%	48.6%	34.3%	31.6%	63.4%	78.0%	58.9%	81.4%	86.9%
Marine Corps	85.7%	97.6%	78.3%	96.8%	96.6%	50.0%	93.3%	95.0%	84.2%	63.6%	81.4%	85.3%	86.7%

DISABILITY RETIRED PAY

- DIEMS BEFORE SEPTEMBER 7, 1980. LAST ACTIVE DUTY BASIC PAY RATE
- DIEMS ON OR AFTER SEPTEMBER 7, 1980 HIGH 36 MONTHS AVERAGE
- DIEMS AFTER AUGUST 1, 1986 AND TOOK CSB. HIGH 36 MONTHS AVERAGE AND COLA MINUS 1%

DISABILITY PAY COMPUTATION

DIEMS BEFORE SEP 7, 1980

- METHOD A:

  PERCENTAGE DISABILITY X BASIC PAY

- METHOD B:

  (BASIC PAY) X SERVICE X 2 1/2%

RETIRED PAY COMPUTATION (CONT.)

DIEMS ON OR AFTER SEP 7, 1980

- METHOD A:

  PERCENTAGE DISABILITY X HIGH 36

- METHOD B:

  (HIGH 36) X SERVICE X 2 1/2%

NON-TAXABLE

- SERVICE ON OR BEFORE SEPTEMBER 25, 1976

- COMBAT INJURY

RESERVIST DISABILITY

- LAW 1201 OR 1202
- DIEMS ON OR AFTER SEPTEMBER 7, 1980
- MUST USE UP TO 36 MONTHS OF ACTIVE DUTY

SEVERANCE PAY COMPUTATION

- BASED ON WHOLE ACTIVE DUTY YEARS ROUNDED UP OR DOWN: MAXIMUM 12 YEARS

- (YEARS) X (2) X (ACTIVE DUTY BASE PAY RATE) = SEVERANCE PAY

SEVERANCE PAY EXAMPLE

- E-5 WITH 10 YEARS 1 MONTH SERVICE
- BASIC PAY $2,339.70
- 2 X 10 X $2,339.70 = $46,794.00

ACTIVE DUTY DEATH

- **EFFECTIVE SEPTEMBER 10, 2001**:

  A. SURVIVOR BENEFIT PLAN (SBP) - SPOUSE AND CHILD OR IF NO SPOUSE THEN CHILD ONLY

  B. COMPUTATION - DISABILITY RETIREMENT 1201 - 100%

  C. LINE OF DUTY

ACTIVE DUTY DEATH (CONT.)

- **EFFECTIVE NOVEMBER 24, 2003**

  SBP CAN BE SPOUSE AND CHILD OR CHILD ONLY WITH SERVICE SECRETARY APPROVAL.

- IMMINENT DEATH PROCESSING ENDED JANUARY 16, 2004

CONCURRENT RECEIPT

HISTORY

SPECIAL COMPENSATION SEVERELY DISABLED
EFFECTIVE OCTOBER 1998

RETIRED WITH 20 ACTIVE YEARS SEVICEOR 7200 POINTS
INITIAL RATING BY VA/DOD AS 60% DISABLED OR GREATER
WITHIN 4 YEARS OF RETIREMENT AND,
CURRENTLY RATED BY VA AS 60% OR GREATER
MUST BE IN RECEIPT OF VA COMPENSATION

ENDED JANUARY 1, 2004

CURRENT RETIREMENT AND DISABILITY PAY (CRDP)

ELIGIBILITY FACTORS: EFFCTIVE JANAURY 1, 2004

- **20 YEAR RETIREMENT LAW OR DISABILITY -20 ACTIVE OR QUALIFUYING YEARS SERVICE FOR RETIRED PAY**

- **VA AWARD OF 50% OR MORE AND DRAWING VA**

- **MUST BE ENTITLED TO RETIRED PAY**

COMBAT-RELATED SPECIAL COMPENSATION

ELIGIBILITY FACTORS: JUNE 1 - DECEMBER 2003

- **20 YEARS ACTIVE DUTY OR 7200 POINTS FOR RETIRED PAY**
- **CURRENT COMBAT-RETIRED DISABILITY**
  - **A. 10% OR HIGHER FOR PURPLE HEART**
  - **B. 60% COMBINED VA DISABILITY RATING**
- **MUST BE IN RETIRED STATUS AS OF JUNE 1, OR LATER**
- **MUST BE ENTITLED TO RETIRED PAY**
- **MUST BE DRAWING VA AWARD**

COMBAT-RELATED SPECIAL COMPENSATION (CONT.)

ELIGIBILITY FACTORS: AFTER JANAURY 1, 2004

- **DISABILITY RETIREMENT - 20 YEARS OF ACTIVE OR QUALIFYING SERVICEFOR RETIRED PAY**
- **CURRENT COMBAT-RELATED DISABILITY OF AT LEA 10% COMBINED VA DISABILITY RATING**
- **MUST BE IN RETIRED STATUS**
- **MUST BE ENTITLED TO RETIRED PAY**
- **MUST BE DRAWING VA AWARD**

COMBAT-RELATED SPECIAL COMPENSATION (CONT.)

- **MEMBERS MUST APPLY WITH BRANCH OF SERV USING DD FORM 2860**
- **MEMBER MUST PROVIDE COPIES OF SUPPORTIN DOCUMENTATION WITH APPLICATION**
- **BURDEN OF PROOF IS THE MEMBER'S!**
- **SERVICE REVIEWS & APPROVES/DISAPPROVES**
- **IF APPROVED WILL EQUAL AMOUNT OF VA COMI COMBINED COMBAT-RELATED % BUT NOT GREAT THAN CURRENT VA DEDUCTION FROM PAYMENT**
- **SERVICE PROVIDES EFFECTIVE DATE OF PAY- CO BE RETROACTIVE TO JUNE 1, 2003**
- **IF MEMBER ENTITLED TO CURRENT RETIREMEI DISABILITY PAY DFAS PICKS GREATER $$$**
- **EXEMPT FROM FED. INCOME TAX**

MyPay-RETIRED

- VIEW & PRINT YOUR 1099R
- CHANGE YOUR FED TAX
- CHANGE DIRECT DEPOSIT
- CHANGE HOME ADDRESS
- VIEW & PRINT ACCOUNT STATEMENT
- START, STOP, OR CHANGE:
- ALLOTMENTS PAID BY DIRECT DEPOSIT
- STATE TAX
- SAVINGS BONDS

QUESTIONS ?